



STATE OF WEST VIRGINIA  
Department of Revenue  
State Tax Department

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OFFICE WEST VIRGINIA  
SECRETARY OF STATE

Earl Ray Tomblin  
Governor

Mark W. Matkovich  
Acting State Tax Commissioner

ADMINISTRATIVE NOTIC 2013-23

**ECONOMIC OPPORTUNITY TAX CREDIT:** Credit Available for Taxpayers Who Do Not Satisfy the New Jobs Percentage Requirement - Notice of Inflation Adjustment for Tax Years Beginning in 2014

W. Va Code §11-13Q-22 allows any tax payer;

engaged in one or more of the industries or business activities specified in section nineteen [§11-13Q-19] of this article which does not satisfy the new jobs percentage requirement prescribed in subsection (c), section nine of this article [§11-13Q-9] or, if the taxpayer is a small business as defined in section ten of this article [§11-13Q-10], who are unable to create at least ten new jobs within twelve months after placing qualified investment into service as required by section ten of this article [§11-13Q-10], but which otherwise fulfills the requirements prescribed in this article, is permitted to claim a credit against the taxes specified in section seven of this article [§11-13Q-7] in the order so specified that are attributable to and the consequence of the taxpayer's business operations in this state which result in the creation of net new jobs. Credit allowed under this section shall be allowed beginning in the tax year when the new employee is first hired: Provided, That each new job:

1. Pays at least \$32,000 annually. Beginning January 1, 2010, and on January 1 of each year thereafter, the commissioner shall prescribe an amount that shall apply in lieu of the \$32,000 amount during that calendar year. This amount is prescribed by increasing the \$32,000 figure by the cost-of-living adjustment for that calendar year;
2. Provides health insurance and may offer benefits including child care, retirement or other benefits; and
3. Is a full-time, permanent position, as those terms are defined in section three of this article [§11-13Q-3].

The minimum annual pay of the new job is subject to annual adjustment for inflation. This adjustment is determined by the State Tax Commissioner using the methodology described in subsection 11-13Q-22(b)(1) through (4). The 2014 inflation adjustment factor is based on the

percentage by which the Consumer Price Index (CPI) for calendar year 2013 exceeds the CPI for calendar year 2009. For this purpose, the CPI for any calendar year is the average of the Federal Consumer Price Index for the twelve-month period ending on August 31st of such calendar year (W. Va. Code § 11-13Q-22(b)(2)). The CPI for 2013 is 232.018 and the CPI for 2009 is 214.002. Based on these figures, the inflation adjustment factor, for purposes of W. Va. Code § 11-13Q-22, for tax years beginning in calendar year 2014, is 1.0841861291.

Accordingly, for tax years beginning during calendar year 2014; the required minimum compensation of new jobs for purposes of the Economic Opportunity Tax Credit allowed for Taxpayers which do not satisfy the new jobs percentage is thirty four thousand, six hundred fifty dollars (\$34,650).

A summary of the applicable inflation-adjusted minimum compensation criteria, by calendar year, for tax years beginning in such years, follows:

**CRITERIA**

| <b>Constraints<br/>Year</b> | <b>Minimum<br/>Compensation</b> |
|-----------------------------|---------------------------------|
| <b>2009</b>                 | \$32,000                        |
| <b>2010</b>                 | \$32,000                        |
| <b>2011</b>                 | \$32,450                        |
| <b>2012</b>                 | \$33,250                        |
| <b>2013</b>                 | \$34,100                        |
| <b>2014</b>                 | \$34,650                        |

**Notice of this determination will be filed in the West Virginia Register.**

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Mark W. Matkovich  
Acting Tax Commissioner